

232591

RICHARD R. WILSON, P.C.

Attorney at Law

A Professional Corporation

518 N. Center Street, Ste. 1

Ebensburg, PA 15931

(814) 419-8152

888-454-3817 (Toll Free)

(814) 419-8156 FAX

rwilson@rrwilson.net – Email

www.rrwilsonesq.com - Website

851 Twelfth Street
Oakmont, PA 15139

RECEIVED
JUL 23 2012
MANAGEMENT
STB

Of Counsel to:

Vuono & Gray LLC

2310 Grant Building

Pittsburgh, PA 15219

(412) 471-1800

(412) 471-4477 FAX

July 17, 2012

ENTERED
Office of Proceedings

JUL 23 2012

Part of
Public Record

Ms. Cynthia T. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E. Street, SW
Washington, DC 20024

Re: STB Finance Docket No. 35239 – Allegheny Valley Railroad Company –
Petition for Declaratory Order

Dear Ms. Brown:

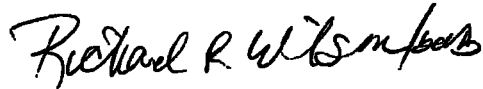
I am writing to you on behalf of my client Allegheny Valley Railroad Company ("AVR") in connection with recent developments pertaining to the above captioned proceeding. Attached you will find a copy of the July 9, 2012 article in the *Pittsburgh Post Gazette* addressing various issues concerning the Buncher Company's proposed Strip District development. As you will note members of Pittsburgh City Council have advised the Buncher Company that the pending administrative proceeding in the above captioned docket needs to be settled to allow the Buncher project to move forward. AVR is willing to discuss possible settlement of this matter with the Buncher Company and AVR appreciates the efforts being undertaken by Pittsburgh City Council officials to encourage settlement discussions. AVR will keep the Board advised of further developments in this regard.

Ms. Cynthia T. Brown, Chief
July 17, 2012
Page 2

Thank you for your attention to this matter.

Very truly yours,

RICHARD R. WILSON, P.C.

A handwritten signature in black ink that reads "Richard R. Wilson". The signature is written in a cursive, flowing style.

Richard R. Wilson, Esq.
Attorney for Allegheny Valley Railroad Company

RRW/bab
Enclosure

xc: Joseph F. McDonough, Esq.
Edward Fishman, Esq.
Pittsburgh City Council
Pittsburgh Planning Commission
Mayor Luke Ravenstahl
City of Pittsburgh Solicitor
Executive Director – Urban Redevelopment Authority
General Counsel - Urban Redevelopment Authority
Allegheny Valley Railroad

post-gazette.com
Pittsburgh Post-Gazette

RECEIVED
JUL 23 2012
MANAGEMENT
S78

More Pittsburgh councilmen pick at Strip District development

July 9, 2012 12:00 am

By Joe Smydo / Pittsburgh Post-Gazette

As Pittsburgh City Councilman Patrick Dowd continues to hold up a financing plan for a proposed Buncher Co. development in the Strip District, two of his colleagues are voicing their own concerns about the project, including the prospective relocation of produce terminal wholesalers and possible legal hurdles.

In a letter to Buncher last week, Councilman Bruce Kraus and Bill Peduto asked for additional details about the proposed financing plan of up to \$50 million, the company's plans for including open space in the development and steps the company has taken to garner neighborhood support and preserve the neighborhood's character.

"You will have to provide to city council a breakdown of the meetings you have hosted, what concessions have been made and what the community process will look like moving forward," they said.

Buncher has proposed offices, retail and housing on a 55-acre tract from the Veterans Bridge to 21st Street between Smallman Street and the Allegheny River. The project would mean about \$400 million in investment over 10 to 15 years.

But it also would involve demolishing one-third of the historic produce terminal and likely relocating the wholesalers, one of which already has moved to Thornburg after nearly 100 years in the Strip District.

While the councilmen's letter doesn't demand that the produce terminal be left intact, it says "all possible actions must be taken to minimize demolition."

In an interview, Mr. Peduto said Buncher should continue to provide space at the project site for the terminal's current tenants, including the produce wholesalers.

The councilmen questioned the potential impact of two legal issues on the project. One is language in the produce terminal deed saying that the Urban Redevelopment Authority, which purchased the building from Conrail in 1981, would use its "best efforts" to use the structure for the produce industry or another rail-oriented purpose. The other is Buncher's dispute with the Allegheny Valley Railroad, which serves the produce terminal and claims to hold an easement across the project site.

"The demolition of the structure and the relocation of rail-using businesses from the terminal appears to violate the requirements of the sale of the property to the URA. Second, the continuing legal action with the Allegheny Valley Railroad needs to be settled to allow the project to move forward. It is essential that Buncher have all the legal rights to develop the land prior to public money being committed to a project," the letter said.

Mr. Kraus and Mr. Peduto stressed the importance of undertaking a top-shelf development on pivotal property along the Allegheny Riverfront, saying the construction style must reflect that of the produce terminal and other historic structures in the neighborhood.

"This site is of incredible significance ... The entire region will be watching to see that the design of the project meets the highest urban design standards that are seen across the country in terms of architecture, environmental sustainability and public space improvements," the letter said.

The pair also asked Buncher to commit to using union labor during construction.

Buncher officials could not be reached for comment.

In interviews, Mr. Kraus and Mr. Peduto said they don't oppose Buncher's project.

"My goal is to work through the issues that are stopping this project from happening," Mr. Peduto said. Mr. Kraus said the letter advises Buncher "to move cautiously" given the importance of the riverfront property and the prospective disruptions to the produce industry, long the neighborhood's distinguishing feature.

For nearly six weeks, Mr. Dowd has declined to introduce legislation that would create the tax-increment financing plan for Buncher, saying the URA hasn't sufficiently explained how the \$50 million would be used.

He's also said he believes that the authority intends to sell Buncher the produce terminal for \$1.2 million -- a low sum, in his view -- and that the authority and Buncher are contemplating other real estate deals that could affect the vitality of Lawrenceville and the Strip District.

Buncher hasn't publicly responded to the criticism, but the authority says it isn't possible to specify now how all \$50 million would be used in a development that will unfold over 10 to 15 years.

In their letter, Mr. Kraus and Mr. Peduto express their own concerns about the financing, including the request that council approve a long-term plan for up to \$50 million even though the developer is in the first phase of the project.

They also asked Buncher to specify the public improvements it intends to make with financing dollars, saying, "we have a responsibility to the taxpayers to invest their money wisely."

The Buncher project is part of Mayor Luke Ravenstahl's broader plan for remaking the Allegheny riverfront from Downtown to the city's eastern edge.

Joe Smydo: jsmydo@post-gazette.com or 412-263-1548.

First Published 2012-07-09 00:06:38